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salable almonds is not sufficient to satisfy trade demand and desirable carryover requirements for the crop year, the Secretary may increase the salable percentage. Such findings shall be made in the manner specified in § 981.47.

§ 981.49 Board estimates and recommendations.

To aid the Secretary in fixing the salable and reserve percentages, the Board shall furnish to the Secretary, not later than August 1, the following estimates (kernel weight basis) and recommendations for the crop year, each of which, or any later revisions thereof, shall be adopted by the affirmative vote of at least six members:

- (a) The quantity of marketable almonds to be produced;
- (b) The estimated handler carryover and the estimated reserve inventory as of July 31;
- (c) The desirable handler carryover and the probable reserve inventory at the end of the crop year;
- (d) The trade demand, taking into consideration anticipated imports, economic conditions and the anticipated market price (within the limitations of the act); and
- (e) The recommended salable and reserve percentages to be established.

The Board shall also furnish to the Secretary a complete report of the proceedings of the Board meeting at which the recommended salable and reserve percentages were considered. If, for any reason, the Board fails to make these estimates or to recommend to the Secretary salable and reserve percentages as required hereby, reports representing the views of members with respect to such matters may be submitted to the Secretary who may act on the basis of such reports or other information available to him.

[35 FR 11372, July 16, 1970, as amended at 41 FR 26853, June 30, 1976; 61 FR 32921, June 26, 1996]

§ 981.50 Reserve obligation.

Whenever salable and reserve percentages are in effect for a crop year, each handler shall withhold from handling a quantity of almonds having a kernel weight equal to the reserve percentage of the kernel weight of all al-

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monds such handler receives for his own account during the crop year: *Provided*, That, any quantity of almonds delivered to outlets such as poultry or animal feed or crushing into oil, in a manner permitting accountability to the Board, shall not be included in such receipts. The quantity of almonds hereby required to be withheld from handling shall constitute, and may be referred to as the "reserve" or "reserve obligation" of a handler. The almonds handled as salable almonds by any handler, in accordance with the provisions of this part, shall be deemed to be that handler's quota fixed by the Secretary within the meaning of section 8a(5) of the act.

[41 FR 26853, June 30, 1976]

§ 981.51 Requirements for reserve.

Each handler may satisfy his reserve obligation with such almonds specified in the terms of the agency agreement authorized in § 981.67, including all applicable inspection and certification requirements. Any handler who does not become an agent may receive credit by similarly delivering almonds to the Board or its designees. These requirements may be established by the Board, with the approval of the Secretary, and from time to time so modified, and may include grade requirements for reserve almonds delivered to human consumption outlets.

[41 FR 26853, June 30, 1976]

§ 981.52 Holding requirement and delivery.

Each handler shall, at all times, hold in his possession or under his control, in proper storage for the account of the Board, the quantity of almonds necessary to meet his reserve obligation less: (a) Any quantity which was disposed of by him pursuant to § 981.67; and (b) any quantity for which he is otherwise relieved by the Board of responsibility to so hold almonds. Upon demand of the Board reserve almonds shall be delivered to the Board f.o.b. handler's warehouse or point of storage, except that the Board shall not make such demand upon a handler with respect to reserve almonds for which he has agreed to undertake disposition pursuant to § 981.67. Any handler who

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does not act as agent for the Board in the disposition of reserve almonds shall be subject to the applicable inspection and certification requirements prescribed by the Board pursuant to § 981.67.

[41 FR 26853, June 30, 1976]

§ 981.54 Payment to handlers for services rendered.

The Board may pay handlers for necessary services rendered by them in connection with almonds eventually disposed of directly by the Board as reserve including but not limited to storing, shelling, sorting, bleaching, grading, packaging, fumigating, and other services in accordance with such schedule of payments and under such conditions as may be established by the Secretary after recommendation of the Board.

§ 981.55 Interhandler transfers.

(a) Any handler may, upon notice to and under the supervision and direction of the Board, transfer almonds or reserve credits to another handler. Any such transfers shall be accounted for in such manner that the reserve obligation and assessments on the combined transactions of the participating handlers shall be fully met and such reserve withholding obligation and assessments may be divided between such handlers in accordance with their arrangements subject to approval of the Board.

(b) When salable and reserve percentages are in effect, any handler may transfer reserve withholding obligation to other handlers. Terms and conditions implementing this provision must be recommended by the Board and approved by the Secretary.

[35 FR 11372, July 16, 1970, as amended at 61 FR 32921, June 26, 1996]

§ 981.56 Assistance of Board in accounting for reserve.

The Board, on written request, may assist handlers in accounting for their reserve obligations and may aid any handler in acquiring almonds to meet any deficiency in his reserve.

§ 981.57 Application of salable and reserve percentages after end of crop year.

The salable and reserve percentages established for any crop year shall continue in effect with respect to all almonds for which the reserve obligation has not been previously met, which are received for his own account or handled by any handler after the end of such crop year and before salable and reserve percentages are established for the succeeding crop year. After such percentages are established for the new crop year, the withholding requirements for all such almonds theretofore received for his own account or handled during that crop year shall be adjusted to the newly established percentages.

§ 981.59 Adjustment upon increase of salable percentage.

(a) Upon any increase in the salable percentage and corresponding decrease in the reserve percentage, the reserve obligation of each handler for the entire crop year to the effective date of such action shall be computed in accordance with such revised salable and reserve percentages. From the reserve almonds that may have been withheld by him and not yet disposed of, any handler authorized to act and acting as agent of the Board in disposing of reserve pursuant to § 981.66 shall be permitted to select, under the supervision and direction of the Control Board, the particular reserve almonds to be restored to his salable percentage, and such restoration shall be deemed to fulfill the obligation of the Board with respect to such increase.

(b) In the case of handlers who have not been authorized to dispose of their own reserves, and handlers who have terminated their agencies to dispose of their own reserves, prior to an increase in the salable percentage, insofar as practicable each such handler shall be permitted to select almonds from his own reserve to be restored to his salable quantity. In the event there are not sufficient reserve almonds held by the Board at the time the salable percentage is increased, to make full restoration, as represented by the increase in the salable percentage, to all such handlers, the restoration to the salable quantities of the respective